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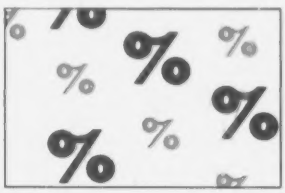

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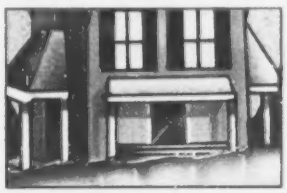

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MORTGAGE MARKET TRENDS

Prepared by MBA's Economics Department

August 16, 1984

The economy grew at an unexpectedly high rate through the first half of 1984. In light of widely held expectations that the second quarter's rate of growth would be substantially below the 10.1 percent experienced during the first three months of the year, the latest Department of Commerce data indicated a growth rate of 7.5 percent. Fortunately, this rapid real rate of growth was accompanied by almost no increase in the rate of inflation.

Recently, however, gathering evidence is showing that the anticipated slowing in the economy has begun to materialize. This could mean that for the second half of 1984, the rate of growth in real Gross National Product (GNP) could fall into the 4.5 to 5.5 percent range.

One indication lessening concern that economic activity might continue at an unsustainable rate came from Paul Volcker, chairman of the Federal Reserve Board (Fed). In his statement July 25 to the Senate Banking Committee, he said that during July, the Fed had not substantially changed its monetary policy guidelines. This implies that the Fed did not see any reason to tighten credit during the short term. In this way, the Fed can continue to provide the economy with adequate monetary growth to sustain the recovery while simultaneously checking inflation.

To achieve this goal, the Fed will maintain a relatively passive monetary policy for at least the next 12 months. More specifically, for the remainder of 1984 the Fed is not going to make any changes in the targeted growth ranges for its three money supply aggregates (M1, M2, and M3). For 1985, the Fed indicated that it would try to achieve a tightening in two of its three monetary targets. The upper limits on M1 and M2 will be lowered slightly; the range for M3 will not change.

Another reason for believing that the Fed is less likely to attempt to restrain credit excessively has been the recent drop in M1. From March to June, M1 had been growing at a seasonally adjusted annual rate of 8.4 percent. This placed it outside the upper end of the Fed's established target range of 4 to 8 percent for all of 1984. However, from June 11 to the end of July, M1 has been on a downward trend, and by the end of July, M1 was only $3.9 billion above the lower end of this range. One possible explanation for M1's decline is the resolution of the Continental Illinois Bank crisis.

One of the major indications of a slowdown in the economy was the 0.9 percent drop in the index of leading indicators in June. This was the first monthly decline since August 1982. The index is made up of 12 components, though data are available for only 10 of them. Of these, seven declined for the month. The largest drops were registered by two demand-measuring indicators, manufacturers' new orders for consumer goods and materials, which fell 0.36 percent, and contracts and orders for plant and equipment, which fell 0.24 percent. Thus, the declines in these two components could very well portend a slowing in demand for the overall economy.

In addition to the decline in the index of leading indicators, a number of other key economic variables have also weakened. Factory orders for manufactured goods dropped by 1.4 percent in June. This is the second monthly decline in three months. Most of the decline was in the durable goods sector. Another indicator of softness was the 0.9 percent decline in retail sales in July, the first since March. Much of this decline may be attributable to the automobile industry, which, after three consecutive months of increases, saw sales drop by 2.1 percent.

During June, consumer installment credit increased by $7.83 billion, or 1.85 percent. This increase, although substantial, was well below the record $10.3 billion increase registered in May, and more in line with the increases reported for earlier months of 1984. If credit demand moderates for the balance of the year, the result could be less pressure on interest rates.

One further reflection of a growing awareness that economic activity may be moderating was evident at the Treasury's quarterly refunding operation in early August. During a three-day period, the Treasury sold $16.75 billion in notes and bonds. Due to investor perceptions that inflation appeared to be under control, the Treasury was able to market its issues at higher prices (and lower yields) than in its previous refunding in May and still attract buyers. The declines in yields on the 10-year notes and 30-year bonds were quite substantial—51 basis points and 80 basis points, respectively. Consequently, bond yields could drop further in the near future.

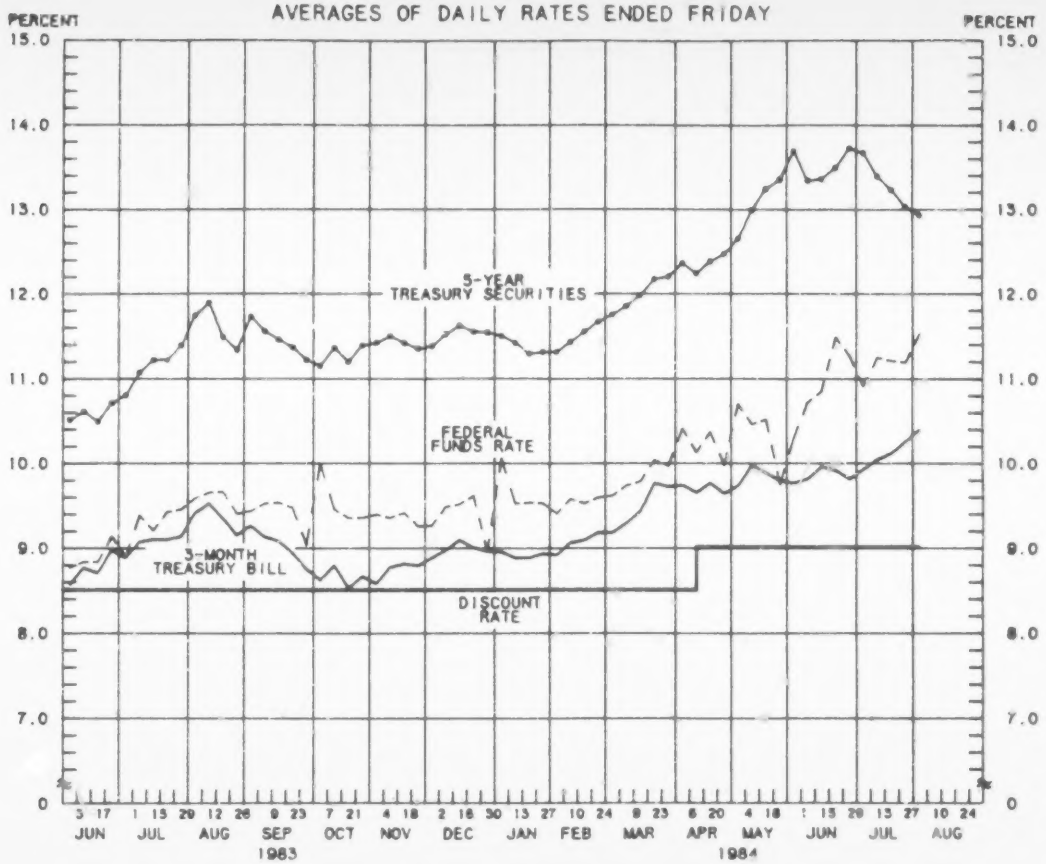
Even though yields on marketable securities have been dropping, mortgage interest rates increased for the fifth consecutive month in July. One casualty of these high mortgage interest rates has been housing starts. In July, they declined by 7 percent to a seasonally adjusted annual rate of 1,761,000. Single-unit housing starts dropped for the third month in a row. The seasonally adjusted annual rate was 10 percent below June's figure.

Other factors in the housing market may indicate more favorable trends, however. The Veterans Administration (VA) lowered the maximum interest rate on VA-backed mortgages from 14.0 to 13.5 percent. This is the first reduction since November 1983 and could indicate some lowering in the cost of money to both lenders and borrowers.

Robert Rosenblatt
Assistant Economist

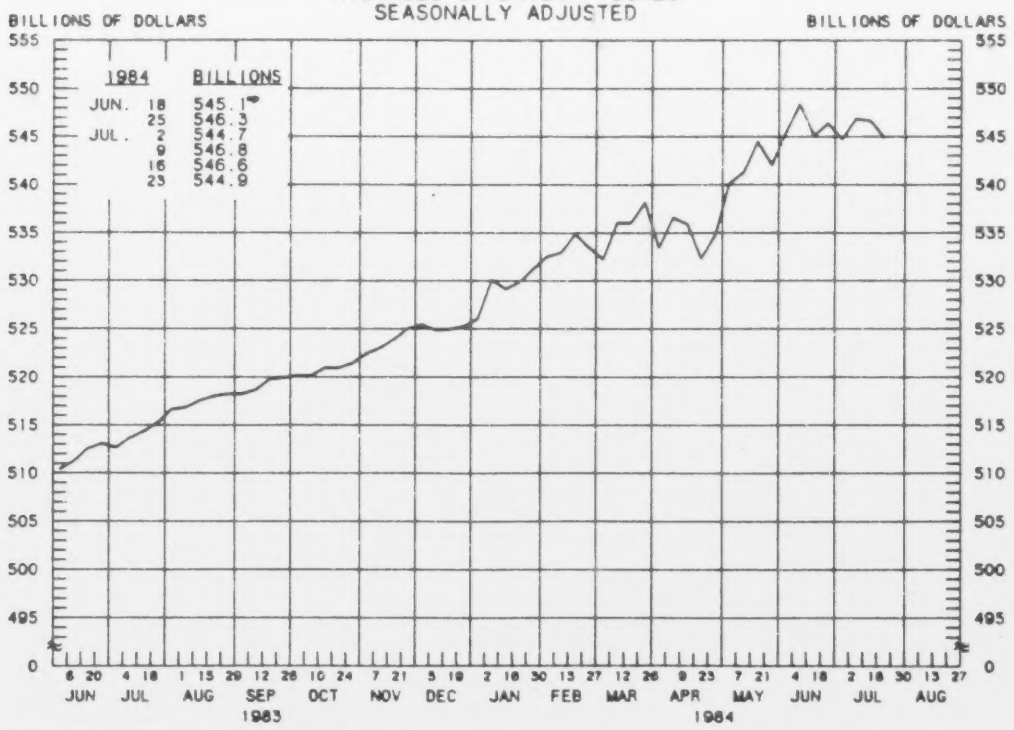
SELECTED INTEREST RATES

AVERAGES OF DAILY RATES ENDED FRIDAY



MONEY STOCK (M1)

AVERAGES OF DAILY FIGURES
SEASONALLY ADJUSTED



Source: Federal Reserve Bank of St. Louis

MORTGAGE MARKET TRENDS—AUGUST 1984

RESIDENTIAL STRUCTURES, BY UNIT TYPE
(Units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES						HOUSING STARTS					
	Actual			Seasonally Adjusted Annual Rate			Actual			Seasonally Adjusted Annual Rate		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
MAY	151	105	46	1,660	1,079	581	175	124	51	1,779	1,252	527
JUN	173	115	58	1,764	1,151	613	173	125	48	1,743	1,242	501
JUL	148	93	55	1,752	1,068	684	162	113	49	1,793	1,175	618
AUG	155	98	57	1,671	1,032	639	177	121	56	1,873	1,233	640
SEP	150	91	59	1,540	994	546	155	108	47	1,679	1,153	526
OCT	142	89	53	1,650	1,049	601	159	102	57	1,672	1,113	559
NOV	124	79	45	1,649	1,060	589	136	93	43	1,730	1,204	526
DEC	108	65	43	1,602	1,056	546	107	69	38	1,694	1,154	540
1984												
JAN	110	67	43	1,799	1,144	655	109	75	34	1,980	1,415	565
FEB	125	78	47	1,902	1,234	668	128	88	40	2,262	1,611	651
MAR	147	100	47	1,727	1,136	591	137	99	38	1,662	1,208	454
APR	157	105	52	1,758	1,112	646	171	121	50	2,015	1,365	650
MAY	165	109	56	1,745	1,076	669	180	126	54	1,794	1,247	547
JUN	166	102	64	1,768	1,067	701	185	122	63	1,886	1,201	685
JULp	140	88	52	1,562	956	606	162	110	52	1,761	1,114	647
7 month												
1984	1,012	647	365				1,077	742	335			
1983	924	611	313				968	690	278			
1982	522	331	191				561	400	161			
1981	636	440	176				700	528	175			

VALUE OF NEW CONSTRUCTION PUT IN PLACE
(Dollars in millions)

	Seasonally Adjusted Annual Rate			
	Total	1 Unit	2+ Units	Non-Res.
MAY	139,801	61,926	20,300	57,575
JUN	147,929	65,797	22,124	60,008
JUL	152,028	67,598	25,082	59,348
AUG	157,313	68,746	26,025	62,542
SEP	157,582	68,337	26,614	62,631
OCT	151,063	66,327	25,807	58,929
NOV	154,272	65,385	26,525	62,362
DEC	156,642	64,924	27,721	63,997
1984				
JAN	163,534	69,047	27,816	66,671
FEB	171,331	73,496	28,791	69,044
MAR	175,184	74,182	28,169	72,833
APR	177,380	75,069	27,692	74,619
MAY	185,219	75,900	30,764	78,555
JUN	183,961	75,527	29,526	78,908
JULp	n.a.	n.a.	n.a.	n.a.

HOUSE SALES
(Units in thousands)

	EXISTING HOUSES[1]	NEW HOUSES		
		Sold	Available For Sale	Months Supply at Current Rate
MAY	259	64	271	4.9
JUN	283	59	283	5.3
JUL	260	51	288	5.8
AUG	280	50	296	6.3
SEP	240	48	302	6.4
OCT	224	51	302	5.8
NOV	202	45	309	5.9
DEC	180	48	303	4.7
1984				
JAN	178	52	301	5.3
FEB	202	58	304	5.2
MAR	263	63	317	5.9
APR	269	60	327	6.1
MAY	287	59	334	5.6
JUN	295	56	341	6.1
JULp	n.a.	n.a.	n.a.	n.a.
7 month				
1984	1,494*			
1983	1,334			
1982	937			
1981	1,268			

RESIDENTIAL STRUCTURES, BY REGION
(units in thousands)

Year and Month	PERMITS 16,000 ISSUING PLACES								STARTS							
	Actual				Seasonally Adjusted Annual Rate				Actual				Seasonally Adjusted Annual Rate			
	North East	North Central	South	West	North East	North Central	South	West	North East	North Central	South	West	North East	North Central	South	West
APR	13	17	75	34	155	174	855	372	14	18	75	30	170	196	843	340
MAY	15	19	78	38	152	192	913	403	17	25	93	40	165	228	984	402
JUN	18	21	88	45	178	200	942	444	18	25	89	42	175	216	935	417
JUL	16	17	78	37	178	194	969	411	18	23	82	39	166	230	979	418
AUG	18	21	79	38	178	198	896	399	22	25	92	38	186	237	1,015	435
SEP	18	21	74	37	168	181	797	394	15	23	84	34	138	221	938	382
OCT	15	20	74	33	161	195	889	405	16	23	87	33	160	197	947	368
NOV	12	16	68	29	152	191	897	409	14	18	75	30	156	214	939	421
DEC	11	9	58	30	174	182	812	434	9	9	63	25	148	214	955	377
1984																
JAN	7	8	63	33	172	239	872	516	7	9	61	32	195	319	927	539
FEB	10	11	68	35	234	267	884	517	9	11	77	33	311	352	1,127	472
MAR	14	16	75	42	184	207	808	528	11	15	77	35	170	229	832	431
APR	17	21	77	42	186	223	879	470	17	22	88	44	208	248	1,014	520
MAY	22	22	76	45	218	206	854	467	19	27	88	47	171	241	910	472
JUN	18	22	78	48	184	223	874	487	22	33	89	41	232	297	944	413
JULp	17	20	64	39	175	224	748	415	20	24	79	39	184	239	934	404
7 month																
1984	105	120	502	284					105	140	559	273				
1983	89	101	510	223					92	118	537	221				
1982	53	62	291	115					55	76	325	106				
1981	67	84	315	170					66	102	374	156				

CONSTRUCTION STATUS
(units in thousands)

	UNDER CONSTRUCTION			COMPLETIONS		
	Total	1-4 Units	5+ Units	Total	1-4 Units	5+ Units
APR	832	516	316	90	69	21
MAY	901	565	336	106	75	31
JUN	951	597	354	123	93	30
JUL	988	615	373	120	91	29
AUG	1,010	629	381	155	106	49
SEP	1,025	632	393	133	99	34
OCT	1,025	620	405	153	110	43
NOV	1,035	616	419	125	94	31
DEC	1,003	582	421	138	102	36
1984						
JAN	994	577	417	112	76	36
FEB	1,008	586	422	109	77	32
MAR	1,022	600	422	119	82	37
APR	1,068	634	434	125	85	40
MAY	1,104	663	441	140	94	46
JUN	1,133	680	453	154	102	52
JULp	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 month						
1984				759	516	243
1983				568	418	150
1982				452	308	144
1981				616	457	159

INTEREST RATES AND YIELDS

Year and Month	1-4 UNIT MORTGAGES					APARTMENTS[4]	CONSTRUCTION LOANS[5] ALL TYPES	FNMA		GNMA Current Securities Yield[7]	SELECTED SECURITIES				SPREADS (Basis Points)	
	FHA Opinion Survey			FHLBB Survey				Mandatory Delivery Yields			Aaa Utility[9] New Issue	U.S. Gov't.		Prime Commercial Paper 90-119 Days	FHA New Minus Aaa Utility	GNMA minus 10-yr. Gov't.
	FHA New[3]	Conventional		Conventional				ARM (5 yr Treas.)	Conv.			10-yr.	26-wk.			
		New	Existing	New	Existing											
MAY	12.41	13.09	13.09	12.67	12.82	13.63	11.72	11.470	12.583	11.54	11.32	10.38	8.20	8.33	109	116
JUN	12.96	13.37	13.38	12.36	12.67	14.00		12.480	13.163	12.03	11.87	10.85	8.89	9.00	109	118
JUL	14.23	14.00	14.01	12.50	12.63	14.50		12.978	13.638	12.80	12.32	11.38	9.26	9.25	191	142
AUG	13.78	13.90	13.92	12.38	12.72	14.38	12.99	13.195	13.688	13.22	12.25	11.85	9.51	9.54	153	137
SEP	13.55	13.60	13.62	12.54	12.85	14.24		12.863	13.213	12.78	12.53	11.65	9.15	9.24	102	113
OCT	13.23	13.52	13.53	12.25	12.65	14.11		12.575	12.963	12.58	12.43	11.54	8.83	8.99	80	104
NOV	13.23	13.48	13.49	12.34	12.58	14.15	12.94	12.787	13.012	12.62	12.64	11.69	8.93	9.10	59	93
DEC	13.25	13.42	13.42	12.42	12.39	13.95		12.870	13.050	12.65	12.62	11.83	9.17	9.53	63	82
1984																
JAN	13.08	13.28	13.27	12.29	12.16	13.74		12.788	12.800	12.46	12.99	11.67	9.01	9.20	9	79
FEB	13.20	13.31	13.32	12.23	12.19	13.98	13.34	12.863	12.938	12.48	13.05	11.84	9.18	9.32	15	64
MAR	13.68	13.57	13.58	12.02	12.17	14.29		13.325	13.375	12.88	13.63	12.32	9.66	9.83	5	56
APR	13.80	13.77	13.79	12.04	12.07	14.58		13.625	13.638	13.16	13.96	12.63	9.84	10.18	(16)	53
MAY	15.01	14.38	14.40	12.18	12.10	15.32	13.76	14.200	14.400	13.85	14.79	13.41	10.31	10.65	22	44
JUN	14.91	14.65	14.67	12.10	12.26	15.70		14.810	14.770	14.22	15.00	13.56	10.55	10.98	(9)	66
JULp	n.a.	n.a.	n.a.	12.56	12.54	15.53		14.810	14.450	13.97	14.93	13.36	10.58	11.19	n.a.	61

* signifies a six month total

LONG-TERM MORTGAGE LOANS CLOSED

(Dollars in Millions)

Year and Month	BY TYPE OF INSTITUTION					BY TYPE OF UNIT, AND INSTITUTION														
						1-4 Units					5+ Units					Nonresidential				
	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.
1982																				
NOV	12,230	3,240	4,026	4,458	506	8,907	2,770	3,148	2,935	54	682	200	537	107	38	2,611	270	541	1,416	414
DEC	18,448	4,720	6,443	5,724	1,561	12,761	4,210	4,778	3,705	68	1,125	150	605	297	73	3,562	360	1,060	1,722	1,420
1983																				
JAN	15,616	4,710	4,755	5,371	780	10,695	3,880	3,621	3,146	54	1,532	650	529	312	45	3,389	180	605	1,913	757
FEB	16,396	4,450	5,090	5,987	869	11,562	3,980	3,946	3,593	44	1,084	170	383	453	83	3,750	300	761	1,941	805
MAR	21,468	5,910	7,577	6,965	1,016	15,824	5,050	5,877	4,839	54	1,113	70	677	285	82	4,531	790	1,023	1,841	902
APR	20,459	6,080	7,942	5,681	756	14,661	4,790	6,292	3,523	56	1,884	890	656	288	50	3,910	400	990	1,870	650
MAY	22,111	5,590	8,348	7,354	819	15,670	4,740	6,903	3,970	57	1,397	300	549	490	58	5,044	550	896	2,894	704
JUN	29,936	7,120	10,936	10,354	1,526	20,993	5,950	8,683	6,268	92	2,621	910	916	645	150	6,322	260	1,337	3,441	1,284
JUL	24,310	5,810	10,275	7,230	995	18,650	5,450	8,297	4,839	64	1,191	30	759	331	71	4,469	330	1,219	2,060	860
AUG	28,942	5,730	11,291	10,042	1,879	20,755	5,000	9,197	6,501	57	1,725	220	740	523	242	6,462	510	1,354	3,018	1,580
SEP	24,331	4,470	10,331	8,115	1,415	16,815	3,660	8,127	4,979	49	1,569	220	774	439	136	5,947	590	1,430	2,697	1,230
OCT	21,235	4,300	8,586	7,121	1,228	14,927	3,630	6,823	4,427	47	1,501	170	759	410	162	4,807	500	1,004	2,284	1,019
NOV	20,938	5,340	8,202	6,039	1,357	14,606	4,690	6,317	3,549	50	1,801	100	783	699	219	4,531	550	1,102	1,791	1,088
DEC	26,024	4,970	10,553	6,793	3,138	15,858	4,860	7,441	3,455	102	2,254	110	996	849	299	7,912	570	2,116	2,489	2,737
1984																				
JAN	20,036	4,870	7,818	6,558	790	13,546	4,190	5,839	3,467	50	1,838	320	938	531	49	4,652	360	1,041	2,560	691
FEB	18,287	4,310	7,721	6,101	855	12,324	3,350	5,724	3,212	38	1,785	570	739	339	137	4,878	390	1,258	2,550	680
MAR	22,818	4,690	10,158	6,914	1,056	14,947	3,770	7,414	3,680	83	2,067	370	1,052	555	90	5,804	550	1,692	2,679	883

LONG-TERM COMMITMENT ACTIVITY

(Dollars in Millions)

Year and Month	OUTSTANDING					ISSUED DURING MONTH				
	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.	Total	Mtg. Bankers	S&Ls	Banks[6]	Life Cos.
1983										
JAN	62,967	16,520	22,945	13,802	9,700	15,693	7,010	5,555	1,928	1,200
FEB	69,199	18,840	25,677	14,965	9,717	16,887	6,460	7,271	2,086	1,070
MAR	72,413	18,500	28,864	15,217	9,850	22,322	7,660	10,291	3,073	1,298
APR	76,041	19,550	31,850	14,311	10,330	22,049	7,460	9,730	3,265	1,594
MAY	78,413	17,740	33,906	16,242	10,531	23,141	7,470	10,622	3,744	1,305
JUN	81,936	19,560	35,319	15,910	11,147	26,002	7,330	12,555	4,011	2,106
JUL	78,741	17,090	36,852	12,651	12,148	26,571	6,840	14,092	3,475	2,164
AUG	79,490	14,990	38,590	13,770	12,140	24,126	6,160	12,668	3,653	1,645
SEP	77,774	13,750	38,562	13,495	11,967	20,364	4,620	10,895	3,454	1,395
OCT	89,570	25,840	38,417	13,721	11,592	19,614	6,130	9,484	2,940	1,060
NOV	85,851	15,990	39,969	17,943	11,949	22,804	7,610	10,182	3,447	1,565
DEC	90,532	22,650	40,410	17,075	10,397	20,760	6,310	10,016	3,119	1,315
1984										
JAN	80,439	15,170	40,781	13,776	10,712	18,406	4,660	9,173	3,168	1,405
FEB	86,522	15,890	42,792	16,441	11,399	19,543	3,980	10,477	3,408	1,678
MAR	88,200	13,410	45,801	16,257	12,732	25,492	5,290	12,954	4,580	2,668
APR	n.a.	16,870	n.a.	n.a.	n.a.	n.a.	4,700	n.a.	n.a.	n.a.
MAY	n.a.	15,950	n.a.	n.a.	n.a.	n.a.	4,950	n.a.	n.a.	n.a.
JUN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
JUL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

MORTGAGE INSURANCE

(Units in Thousands, Dollars in Millions)

Year and Month	APPLICATIONS RECEIVED UNITS			INSURED							
				Total		FHA (203)		VA		Private	
	Total	FHA/VA	Private	Units	Amt.	Units	Amt.	Units	Amt.	Units	Amt.
1983											
JAN	137	98	39	54	3,201	14	637	10	630	30	1,934
FEB	138	96	42	62	3,607	17	795	15	961	30	1,851
MAR	176	113	63	87	5,003	31	1,508	20	1,243	36	2,252
APR	180	117	63	96	5,483	39	1,867	19	1,190	38	2,426
MAY	165	91	74	101	5,959	24	1,152	30	1,911	47	2,896
JUN	233	145	85	139	8,015	60	2,938	24	1,541	55	3,536
JUL	182	102	80	115	6,863	38	1,854	20	1,224	57	3,785
AUG	205	106	99	139	8,665	31	1,641	35	2,193	73	4,831
SEP	152	66	86	161	9,702	56	2,922	33	2,092	72	4,688
OCT	141	58	83	125	7,752	26	1,362	30	1,934	69	4,456
NOV	131	51	80	131	7,980	34	1,772	25	1,598	72	4,610
DEC	136	46	90	118	7,594	20	1,046	22	1,448	76	5,092
1984											
JAN	121	45	76	109	7,017	14	753	24	1,544	71	4,720
FEB	123	44	79	101	6,467	20	1,093	22	1,449	59	3,925
MAR	159	49	110	124	7,715	35	1,807	19	1,202	70	4,706
APR	167	48	119	110	7,103	16	882	17	1,114	77	5,107
MAY	174	45	129	126	8,051	17	924	17	1,081	92	6,046
JUN	n.a.	n.a.	123	n.a.	n.a.	n.a.	n.a.	16	1,060	102	6,928
JUL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	18p	1,131p	n.a.	n.a.

SECONDARY MARKET ACTIVITY

(Dollars in Millions)

Year and Month	FNMA				FHLMC				GNMA	
	Portfolio		Mortgage Backed Securities		Comm. to Sell	Comm. to Buy	Mtg. Purc.	Sold	Pass-Through Securities	
	Comm.	Purc.	Outstanding	Issued					Applications	Issued
DEC	3,055	2,495	14,450	2,436	897	1,068	3,916	3,804	3,093	2,330
1983										
JAN	2,006	2,045	15,464	1,082	2,004	2,059	1,479	1,641	4,593	2,657
FEB	784	1,594	16,586	1,213	847	868	1,688	1,756	4,316	3,573
MAR	1,184	1,433	18,157	1,684	1,410	1,438	2,849	2,469	9,487	5,292
APR	1,023	1,004	19,138	1,152	2,149	3,079	1,807	1,525	6,423	4,359
MAY	1,534	1,579	20,064	1,160	2,881	2,334	2,439	1,408	6,687	4,654
JUN	2,506	1,333	20,933	1,097	2,319	2,358	1,494	1,244	6,444	5,246
JUL	1,198	1,358	22,313	1,651	4,621	4,671	1,523	1,491	5,468	4,363
AUG	1,282	1,213	23,078	1,052	5,592	6,367	1,621	1,585	7,976	5,943
SEP	2,739	1,203	23,819	1,018	3,183	3,283	2,263	1,555	6,749	4,200
OCT	1,882	1,244	24,311	750	2,382	2,598	2,886	2,758	3,891	3,808
NOV	997	1,348	24,475	381	1,596	2,093	1,287	1,139	4,201	3,857
DEC	1,471	2,204	25,121	841	1,261	1,704	1,685	1,121	4,046	2,543
1984										
JAN	1,772	1,285	25,182	251	1,293	1,470	1,419	978	2,500	2,718
FEB	1,930	1,507	26,125	1,126	1,127	1,385	1,389	1,338	4,422	3,030
MAR	1,626	2,030	28,354	2,405	1,704	1,873	1,290	868	3,083	2,488
APR	1,561	1,775	28,661	502	1,577	1,701	983	723	2,261	1,981
MAY	1,233	1,379	28,962	552	1,826	1,966	987	832	3,596	2,779
JUN	1,995	1,209	29,256	580	3,038	2,712	2,204	1,845	3,142	2,268
JUL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,252	2,325

MORTGAGE BANKERS CONSTRUCTION AND LAND LOAN ACTIVITY

(Dollars in Millions)

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED			
	Construction				Land Loans				
	Total	1-4 Units	5+ Units	Non-res.		Total	1-4 Units	5+ Units	Non-res.
DEC	170	70	30	70	60	490	120	110	260
1983									
JAN	100	50	20	30	60	280	120	30	130
FEB	150	60	30	60	60	280	110	60	110
MAR	170	80	20	70	50	540	180	190	170
APR	130	50	10	70	60	290	150	610	80
MAY	320	160	40	120	160	470	130	80	260
JUN	430	170	60	200	120	500	130	90	280
JUL	120	60	10	50	40	180	80	30	70
AUG	110	70	10	30	80	200	120	20	60
SEP	160	70	20	60	50	440	100	60	280
OCT	130	60	20	50	90	350	90	140	120
NOV	140	70	10	60	90	390	150	120	120
DEC	570	180	50	340	250	560	130	190	240
1984									
JAN	180	70	20	90	140	460	130	100	230
FEB	150	70	10	70	90	280	80	90	110
MAR	190	80	30	80	220	350	120	80	150
APR	200	90	30	80	100	620	140	360	120
MAY	180	80	10	10	160	120	190	130	100
JUN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
JUL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a.—Not available; p—Preliminary

[1]From the National Association of Realtors' "Existing Home Sales" series.

[2]Reflects cumulative total through the latest month for each column.

[3]Secondary market gross yields.

[4]Federal Home Loan Mortgage Corp. Existing construction only.

[5]Federal Reserve's weighted average interest rate for Commercial Banks.

[6]Weighted average gross yields for accepted bids.

[7]Survey of three New York security dealers. Securities for immediate delivery.

[8]Mutual Savings Banks and Commercial Banks.

[9]As of January 1984 this rate is for A-rated recently offered utility bonds.

Sources: American Council of Life Insurance, Board of Governors of the Federal Reserve System, Bureau of the Census, Citicorp Real Estate Inc., Department of Housing and Urban Development, Federal Home Loan Bank Board, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Mortgage Bankers Association of America, National Association of Mutual Savings Banks, National Association of Realtors, Veterans Administration.

MORTGAGE BANKING ACTIVITY

LONG-TERM MORTGAGE LOANS CLOSED[1]

Year and Month	SEASONALLY ADJUSTED				NOT SEASONALLY ADJUSTED							
					1-4 Units				5+ Units			
	Total[2]	1-4 Units	5+ Units	Non-Res.	Total	Total	FHA	VA	Conv.	Total	FHA	Conv.	Non-[3] Res.
1982													
JUN	2,200	1,840	100	290	2,530	2,160	670	400	1,090	130	120	10	240
JUL	2,070	1,700	80	260	2,230	1,950	610	370	970	50	50	0	230
AUG	2,160	1,780	120	290	2,450	2,130	720	420	990	70	10	60	250
SEP	2,360	2,070	70	170	2,280	2,090	700	490	900	50	10	40	140
OCT	2,670	2,100	220	250	2,850	2,290	840	550	900	320	90	230	240
NOV	3,800	3,290	250	280	3,240	2,770	1,190	690	890	200	140	60	270
DEC	4,340	4,000	120	240	4,720	4,210	1,620	1,020	1,570	150	0	150	360
1983													
JAN	5,300	4,640	340	240	4,710	3,880	1,720	940	1,220	650	30	620	180
FEB	5,590	5,350	220	340	4,450	3,980	1,640	970	1,370	170	0	170	300
MAR	5,910	5,170	90	620	5,910	5,050	2,180	1,350	1,520	70	40	30	790
APR	6,270	5,030	1,080	380	6,080	4,790	1,890	1,130	1,770	890	0	890	400
MAY	5,500	4,790	290	440	5,590	4,740	2,030	1,150	1,560	300	10	290	550
JUN	6,110	4,970	680	320	7,120	5,950	2,150	1,310	2,490	910	600	310	260
JUL	5,400	4,740	60	370	5,810	5,450	2,110	1,280	2,060	30	10	20	330
AUG	5,110	4,260	380	590	5,730	5,000	1,760	1,170	2,070	220	30	190	510
SEP	4,750	3,710	370	710	4,470	3,660	1,260	830	1,570	220	60	160	590
OCT	4,190	3,410	110	630	4,300	3,630	1,130	750	1,750	170	0	170	500
NOV	6,160	5,480	130	540	5,340	4,690	1,330	840	2,520	100	30	70	550
DEC	5,150	4,590	90	410	5,540	4,860	1,420	850	2,590	110	0	110	570
1984													
JAN	5,520	5,140	170	460	4,870	4,190	1,140	750	2,300	320	10	310	360
FEB	5,210	4,340	660	460	4,310	3,350	1,030	770	1,550	570	30	540	390
MAR	4,680	3,810	520	440	4,690	3,770	810	560	2,400	370	10	360	550
APR	6,140	5,330	490	490	5,870	4,940	1,070	740	3,130	410	0	410	520
MAY	5,060	4,410	130	460	5,240	4,480	960	690	2,830	140	0	140	620

COMMITMENT ACTIVITY: LONG-TERM MORTGAGE LOANS

Year and Month	COMMITMENTS DURING MONTH								OUTSTANDING COMMITMENTS END OF MONTH					
	To Borrowers				From Investors				To Borrowers			From Investors		
	Total	1-4 Units	5+ Units	Non-Res.	Total	1-4 Units	5+ Units	Non-Res.	1-4 Units	5+ Units	Non-Res.	1-4 Units	5+ Units	Non-Res.
1982														
JUN	2,560	2,140	130	290	2,780	2,170	140	470	6,430	630	1,040	5,860	1,090	1,230
JUL	2,700	2,070	70	560	3,880	3,000	110	770	6,440	680	1,460	6,340	1,020	1,690
AUG	3,050	2,550	240	260	3,970	3,450	260	260	7,300	850	900	6,320	1,200	980
SEP	4,240	3,970	60	210	4,870	4,360	130	380	8,030	1,100	670	7,960	1,750	840
OCT	6,740	5,080	1,010	650	4,090	2,560	1,020	510	10,850	950	770	7,830	1,590	950
NOV	7,290	5,740	490	1,060	6,010	3,990	950	1,070	13,260	1,490	910	10,010	2,250	1,160
DEC	6,110	5,230	170	710	5,330	4,170	180	980	14,680	800	840	9,400	1,180	1,040
1983														
JAN	7,010	5,550	880	580	5,140	4,250	80	810	14,370	1,240	910	8,920	1,380	1,140
FEB	6,460	5,850	290	320	6,160	4,690	630	840	15,840	1,960	1,040	8,260	2,260	1,420
MAR	7,660	6,060	1,390	210	9,130	6,560	1,830	740	15,450	2,190	860	9,750	2,480	1,160
APR	7,460	6,080	460	920	8,300	6,880	260	1,160	16,140	2,240	1,170	11,480	2,440	1,430
MAY	7,470	7,030	0	440	6,080	5,310	190	580	16,350	540	850	9,970	1,590	1,110
JUN	7,330	7,210	0	120	7,760	7,030	310	420	18,300	530	730	12,230	1,590	1,010
JUL	6,840	6,170	0	670	7,060	6,280	160	620	15,890	520	680	11,760	680	870
AUG	6,160	5,450	0	710	6,950	5,920	20	1,010	13,640	460	890	10,820	570	1,050
SEP	4,620	4,510	0	110	5,880	4,350	870	660	12,560	410	780	8,610	1,260	790
OCT	6,130	4,900	240	990	6,280	5,810	200	270	12,870	12,030	940	9,910	13,830	940
NOV	7,610	4,870	800	1,940	5,910	4,010	940	960	13,410	1,440	1,130	10,340	2,390	1,030
DEC	6,320	4,060	250	2,010	4,800	3,150	280	1,370	11,600	10,120	930	7,660	11,950	1,060
1984														
JAN	4,660	4,020	10	670	3,690	2,930	170	590	11,420	2,990	760	8,140	4,670	810
FEB	3,980	3,340	0	640	7,230	4,620	1,830	780	11,830	3,200	860	9,560	5,370	810
MAR	5,290	4,080	0	1,210	4,590	3,530	90	970	12,680	0	730	8,950	1,710	730
APR	4,700	4,300	0	400	5,140	4,540	80	520	13,920	1,970	980	11,200	2,160	980
MAY	4,950	4,070	0	880	4,620	3,530	530	560	13,240	1,510	1,200	9,630	3,310	1,120

Notes: [1]All dollar amounts are in millions.
[2]Total is seasonally adjusted separately from components. Total, therefore, may not equal sum of parts.
[3]Series labeled non-residential are also inclusive of farm data.
[4]Percent coverage equals outstanding commitments received from investors divided by the sum of outstanding end of month inventory and outstanding commitments issued to borrowers, all multiplied by 100.

Year and Month	OUTSTANDING END OF MONTH INVENTORY									COVERAGE[4]			SERVICING VOLUME		
	Total	1-4 Units				5+ Units			Non-Res.	1-4 Units	5+ Units	Non-Res.	1-4 Units	5+ Units	Non-Res.
		Total	FHA	VA	Conv.	Total	FHA	Conv.							
1982															
JUN	4,580	3,270	860	560	1,850	720	180	540	590	60	81	75	224,410	27,810	40,610
JUL	7,020	3,670	870	670	2,130	1,660	190	1,470	1,690	63	44	54	215,890	25,260	39,410
AUG	6,800	3,960	960	610	2,390	1,690	190	1,500	1,150	56	47	48	236,970	28,020	40,630
SEP	8,360	4,080	1,010	660	2,410	3,240	190	3,050	1,040	66	40	49	236,860	28,660	40,870
OCT	8,390	4,390	1,050	880	2,460	2,750	180	2,570	1,250	51	43	47	240,780	28,380	41,310
NOV	9,140	5,070	1,440	1,050	2,580	2,890	400	2,490	1,180	55	51	56	240,710	29,620	42,560
DEC	8,690	6,000	1,890	1,290	2,820	1,590	220	1,370	1,100	45	49	54	251,510	32,820	44,080
1983															
JAN	11,220	6,450	2,180	1,440	2,830	3,600	470	3,130	1,170	43	29	55	245,140	42,090	41,960
FEB	12,000	7,030	2,220	1,500	3,310	3,570	470	3,100	1,400	36	41	58	248,980	41,980	42,230
MAR	11,960	7,250	2,410	1,640	3,200	3,490	480	3,010	1,220	43	44	56	248,630	41,300	44,850
APR	12,080	7,170	2,340	1,700	3,130	2,760	10	2,750	1,000	49	49	66	262,050	43,670	43,790
MAY	11,200	6,930	2,510	1,700	2,720	3,470	10	3,460	800	43	40	64	267,170	44,300	41,940
JUN	12,920	8,260	2,780	1,850	3,630	3,480	10	3,470	850	46	40	64	294,020	51,230	45,180
JUL	11,960	7,760	2,490	1,710	3,560	3,410	0	3,410	790	50	17	60	305,860	43,090	42,620
AUG	11,480	7,190	2,170	1,600	3,420	3,400	0	3,400	890	52	15	59	289,220	41,800	39,150
SEP	10,870	6,530	1,870	1,460	3,200	3,440	10	3,430	900	45	33	47	264,720	44,760	33,870
OCT	11,060	6,590	1,780	1,460	3,350	3,550	210	3,340	920	51	89	51	274,860	44,100	38,970
NOV	11,450	6,990	1,800	1,380	3,810	3,240	0	3,240	1,220	51	51	44	292,100	48,620	40,400
DEC	10,860	6,050	1,570	1,250	3,230	3,500	550	2,950	1,310	43	46	47	259,530	46,690	39,600
1984															
JAN	14,720	6,420	1,390	1,150	3,880	7,400	10	7,390	900	46	45	49	283,720	51,610	36,130
FEB	14,320	5,920	1,380	1,140	3,400	7,450	10	7,440	950	54	50	45	275,010	48,960	41,550
MAR	14,860	6,320	1,350	1,170	3,800	7,510	0	7,510	1,030	47	23	41	281,010	56,610	44,380
APR	16,250	7,500	1,540	1,320	4,640	7,720	0	7,720	1,030	52	22	49	323,690	48,730	42,310
MAY	15,500	6,910	1,390	1,030	4,490	7,390	0	7,390	1,200	48	37	47	332,570	59,010	46,280

CONSTRUCTION AND LAND LOAN ACTIVITY

Year and Month	DISBURSEMENTS DURING MONTH					CONSTRUCTION LOANS CLOSED				END OF MONTH INVENTORY				
	Total	1-4 Units	5+ Units	Non-Res.	Land Loans	Total	1-4 Units	5+ Units	Non-Res.	Total	1-4 Units	5+ Units	Non-Res.	Land Loans
1982														
JUN	120	40	30	50	80	700	80	300	320	3,070	600	780	1,690	640
JUL	110	40	20	50	40	430	50	250	130	3,010	600	690	1,720	610
AUG	100	40	20	40	60	540	90	200	250	2,480	640	650	1,190	630
SEP	110	40	20	50	40	320	80	130	110	2,740	690	670	1,380	630
OCT	130	70	20	40	30	230	100	110	20	3,460	830	920	1,710	600
NOV	130	80	10	40	30	430	130	220	80	3,150	840	740	1,570	610
DEC	170	70	30	70	60	490	120	110	260	3,190	880	700	1,610	620
1983														
JAN	100	50	20	30	60	280	120	30	130	2,810	750	650	1,410	580
FEB	150	60	30	60	60	280	110	60	110	3,160	890	620	1,650	630
MAR	170	80	20	70	50	540	180	190	170	3,090	930	580	1,580	610
APR	130	50	10	70	60	290	150	610	80	2,030	610	330	1,090	680
MAY	320	160	40	120	160	470	130	80	260	7,290	2,080	1,140	4,070	1,600
JUN	430	170	60	200	120	500	130	90	280	7,400	2,120	1,080	4,200	1,580
JUL	120	60	10	50	40	180	80	30	70	2,580	810	380	1,390	660
AUG	110	70	10	30	80	200	120	20	60	2,410	760	340	1,310	650
SEP	160	70	20	70	50	440	100	60	280	3,120	950	430	1,740	650
OCT	130	60	20	50	90	350	90	140	120	3,220	990	430	1,800	750
NOV	140	70	10	60	90	390	150	120	120	3,160	1,010	350	1,800	750
DEC	570	180	50	340	250	560	130	190	240	8,490	2,710	940	4,840	1,550
1984														
JAN	180	70	20	90	140	460	130	100	230	3,490	1,050	430	2,010	650
FEB	150	70	10	70	90	280	80	90	110	3,280	880	370	2,030	630
MAR	190	80	30	80	220	350	120	80	150	3,360	990	380	1,990	840
APR	200	90	30	80	100	620	140	360	120	3,220	1,040	460	1,720	860
MAY	180	80	10	90	160	420	190	130	100	3,220	1,060	380	1,780	930

Year and Month	COMMITMENTS TO BORROWERS: LAND AND CONSTRUCTION LOANS								NOTES PAYABLE			
	Issued During Month				End of Month Balances				End of Month Balances			
	Total	1-4 Units	5+ Units	Non-Res.	Total	1-4 Units	5+ Units	Non-Res.	Total	Comm. Paper	To Parent	To Others
1982												
JUN	930	110	300	520	7,660	590	2,250	4,820	13,760	1,310	6,050	6,400
JUL	940	60	330	550	8,900	580	2,250	6,070	11,210	1,930	5,320	3,960
AUG	750	100	350	300	4,420	690	1,570	2,160	12,680	1,740	5,440	5,500
SEP	660	90	430	140	6,180	980	2,730	2,470	12,190	2,080	6,130	3,980
OCT	2,370	110	2,000	260	7,180	660	3,630	2,890	18,330	1,460	7,870	9,000
NOV	1,370	190	880	300	7,810	860	4,040	2,910	12,720	1,910	5,850	4,960
DEC	1,050	160	500	390	5,800	850	2,220	2,730	14,660	2,740	6,950	4,970
1981												
JAN	1,730	100	1,420	210	7,170	660	3,990	2,520	19,270	3,320	10,270	5,680
FEB	1,020	130	420	470	8,830	810	4,570	3,450	20,070	3,530	8,370	8,170
MAR	2,840	240	2,260	340	9,400	1,010	5,810	2,580	10,640	3,960	9,510	7,170
APR	1,350	140	500	710	8,400	980	4,900	2,520	20,120	3,330	10,200	6,590
MAY	1,070	120	610	290	6,280	650	3,900	1,730	25,640	3,780	10,460	11,400
JUN	1,410	160	550	700	6,780	970	3,710	2,100	36,620	4,490	10,570	21,560
JUL	1,970	120	1,780	70	7,160	910	4,660	1,590	36,150	4,410	14,000	17,640
AUG	900	180	100	620	5,620	940	2,480	2,200	35,370	8,920	10,920	15,530
SEP	1,100	100	690	310	5,210	870	2,190	2,150	41,300	3,110	9,820	28,370
OCT	1,650	130	990	530	22,340	1,080	18,890	2,370	30,150	2,760	8,870	18,520
NOV	1,770	120	900	750	8,520	1,270	3,960	3,290	32,200	3,690	10,520	17,990
DEC	3,460	110	2,310	1,040	19,710	1,030	15,450	3,230	29,590	2,770	7,140	19,680
1984												
JAN	1,080	80	400	600	10,900	800	7,440	2,660	31,180	3,900	9,810	17,470
FEB	1,300	90	530	680	9,500	750	5,650	3,100	23,480	3,710	8,530	11,240
MAR	2,840	150	2,240	450	5,710	610	2,070	3,030	42,850	5,060	9,130	28,660
APR	3,940	120	3,260	560	10,080	960	5,780	3,340	27,280	3,190	15,280	8,810
MAY	3,530	170	2,770	590	11,480	1,030	6,750	3,700	35,190	4,690	21,880	8,620